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## "I Am Satisfied With What I Have Done": Collis P. Huntington, 19th Century Entrepreneur

Alice M. Vestal

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The old Phillipsburg, New Jersey passenger station on the  
Delaware, Lackawanna and Western Railroad. 1913

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# *“I Am Satisfied With What I Have Done”: Collis P. Huntington, 19th Century Entrepreneur*

by Alice M. Vestal

*The Collis P. Huntington Papers in the George Arents Research Library form one of more than twenty significant collections in the area of transportation. They are equally important as a study of a colorful period in American history and particularly of an extraordinary man in the setting of that period.*

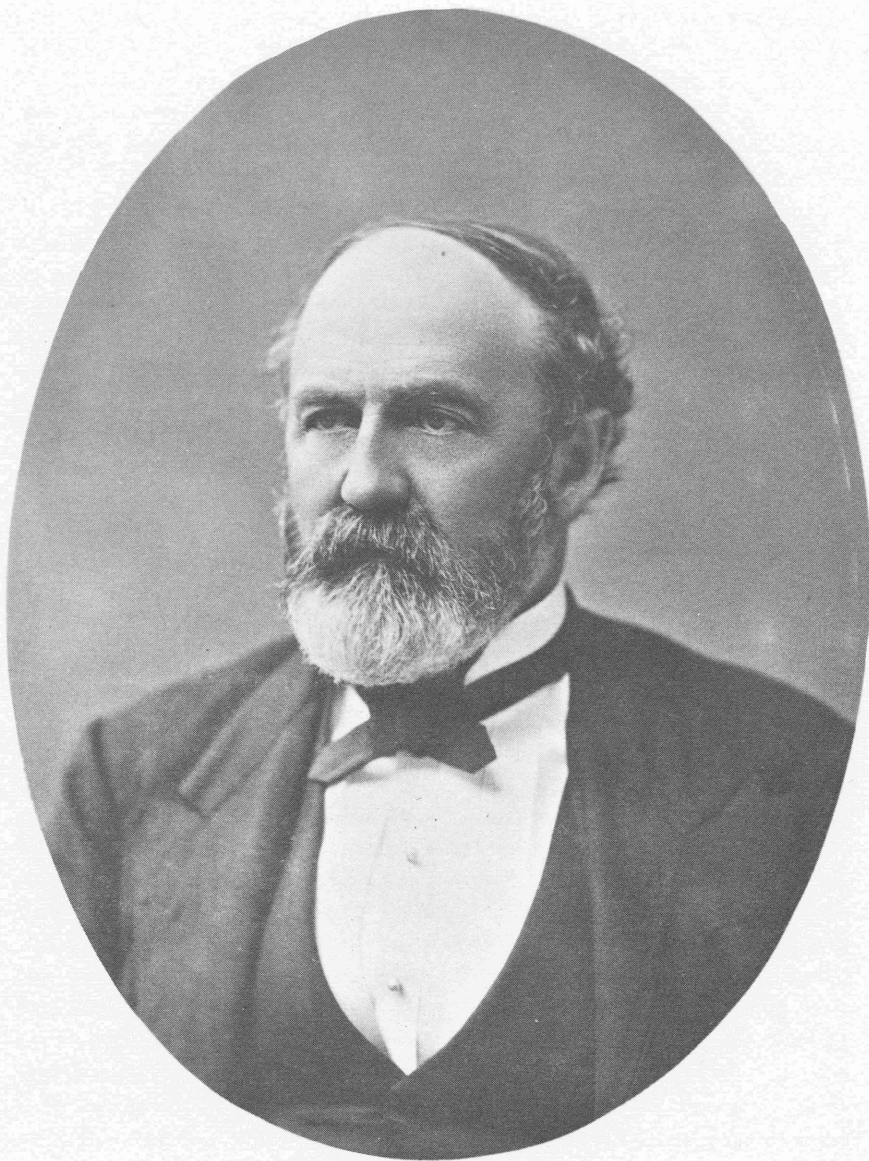
*As a member of the Manuscript Department staff Mrs. Vestal has arranged and described the Huntington Papers for research use. She leaves Syracuse this summer for Cincinnati, Ohio, where she will be an assistant librarian at the Cincinnati Historical Society.*

*The Library plans to publish a printed register of the Huntington Papers within the year.*

Any list of nineteenth century magnates of American business and industry will include Collis Potter Huntington, whose name and fame are inextricably bound up with the history of American railroads. His papers, now available for use by scholarly researchers in the George Arents Research Library, provide primary sources that lead to increased understanding of Huntington as a personality, his associates and the Railroad Era.

Although the Huntington Papers include legal and financial records and biographical material, their major component is correspondence. There are approximately 190,000 incoming and outgoing letters, chiefly of a business nature, dated 1867-1900. There are 189 volumes of letterpress copies of Huntington's letters and more than 2,000 originals. His four associates in the California railroad ventures, Charles Crocker, Edwin Bryant Crocker, Mark Hopkins and Leland Stanford, also are well represented. Other correspondents include railroad financiers, officials and administrators as well as congressmen, lobbyists, industrialists, bankers, lawyers and engineers.

Collis Potter Huntington was born on October 22, 1821, in Harwinton, Connecticut, the sixth of the nine children of William and Elizabeth Huntington. After a brief and perfunctory education, Collis was apprenticed at the age of fourteen to a neighbourhood farmer and the following year to a



Collis Potter Huntington



local grocer. Between the ages of sixteen and twenty-one he was an itinerant peddler and note collector in southeastern United States. In 1842 he purchased a partnership in his brother's hardware store in Oneonta, New York. By 1844 his financial success made it possible for him to marry Elizabeth Stoddard who, until her death in 1883, remained virtually unknown to all but her husband's closest associates.

In the spring of 1849 Huntington left for the California gold fields by way of Panama with a group of fellow Oneontans. He arrived safely after a five-month trip during which he managed not only to avoid the prevalent dysentery but also to quadruple his cash assets by shrewd trading. Realizing after one day in the gold fields that prospecting would not bring him a reasonable return on the time and money he had spent to get there, he entered the hardware business in Sacramento and by 1855 had joined with Mark Hopkins in a hardware firm known as Huntington & Hopkins, which became one of the largest firms of its kind on the coast, providing many of the supplies for the western railroads later acquired by Huntington and his partners.

In 1856 the Republican Party of California was organized in Sacramento. Among the founders were four successful merchants: Huntington, Hopkins, Charles Crocker, dealer in drygoods, and Leland Stanford, a grocer. As successful businessmen and political leaders, it was not surprising that these four were approached by Theodore Dehone Judah as potential investors in a not-so-impossible dream, the transcontinental railroad.

Judah was a competent and enthusiastic engineer and builder of railroads, who had come to California in 1854 as chief engineer of the first railroad in the state, the Sacramento Valley Railroad. After its completion, he began a campaign for a transcontinental road and this quest took him eventually to Washington, D. C. to solicit support for his project. In 1861 his knowledge and salesmanship were rewarded when the Central Pacific Railroad Company of California was incorporated with Judah as chief engineer. President of the corporation was Leland Stanford, the vice presidency was held by C. P. Huntington, Mark Hopkins served as treasurer, and Charles Crocker was a director. Judah immediately undertook to survey the route over the Sierra Nevada Mountains and on completion of this preliminary survey, he left for Washington to lobby again for federal support of a transcontinental railroad. The outbreak of the Civil War had eliminated the possibility of a southern route for a transcontinental road but its proponents argued that such a road was necessary to protect California and the western territories from possible forays not only by Confederate troops but by British or Russian forces as well.<sup>1</sup> Judah was able to secure appointments as

<sup>1</sup> Alaska was not purchased from Russia until 1867, Canada was still a British colony, and in November, 1861, Confederate agents had been forcibly removed from a British ship on the high seas. Shortly thereafter, a British flotilla anchored at Victoria, near Vancouver. This was followed by the entrance of seven ships of the Imperial Russian Navy into San Francisco Bay.

secretary of the House subcommittee on the Pacific Railroad, clerk of the Senate subcommittee on the Pacific Railroad and as clerk of the main House committee on railroads. Thus not only the war but Judah's political positions helped to insure his success.<sup>2</sup> The Pacific Railroad Bill was signed into law on July 1, 1863 by President Abraham Lincoln.

Late in 1862 Huntington moved to New York City with full powers of attorney for the company and authority to act as its purchasing and financial agent. Not incidentally, his proximity to Washington made it possible for him to represent the transcontinental railroad's, and especially the Central Pacific's, interests to Congress. The letters of lobbyists Richard Franchot and Charles H. Sherrill in the Huntington Papers report their efforts on Huntington's behalf; Congressmen Aaron Augustus Sargent, John Boyd and John Byrne supported his cause in Congress.

Charles Crocker did not continue as a director of the corporation; instead he formed Charles Crocker & Company to perform the actual construction of the road. Following Judah's death in 1863, Crocker's firm and the subsequent Contract & Finance Company served as the *Crédit Mobilier* of the Central Pacific. Crocker knew nothing about railroad construction and his on-the-job education proved expensive. Nevertheless, the road eventually was built over terrain considered impassable by railroad.

As speed was the essence and the primary factor in determining construction policy, the quality of construction was sometimes less than contemporary minimum standards called for. Thirty-year government loans were received on the basis of miles of track laid, and the Union Pacific was laying track westward at what apparently seemed to Huntington a frightening pace. A sense of urgency is evident in his letters from New York, especially during the seemingly interminable hand drilling of the Summit Tunnel through 1,659 feet of granite.

Your despatch that you see daylight through the tunnel is just received. I was very glad to get it, as I was just getting up a poster with map, and some new advertisements and was waiting for this despatch before putting them out.<sup>3</sup>

Your despatch that the road is completed to the 95th mile is received and I am very glad to get it, in fact I think I should never tire in receiving the like . . .<sup>4</sup>

Snow was the other problem in the mountain section of the road, virtually halting operations for five months of the year. The remedy adopted in 1867 was the construction of thirty-eight miles of wooden snowsheds

<sup>2</sup> Oscar Lewis, *The Big Four: The Story of Huntington, Stanford, Hopkins and Crocker, and the Building of the Central Pacific*. New York: Alfred A. Knopf, 1938, p. 35

<sup>3</sup> C. P. Huntington to E. B. Crocker, August 30, 1867

<sup>4</sup> C. P. Huntington to E. B. Crocker, October 5, 1867

which required sixty-five million board feet of lumber and two years to complete.

While Huntington was urging Crocker to construct more rapidly, the letters of not only Charles Crocker but of Edwin Bryant Crocker, his brother and chief legal counsel of the company, and of Hopkins and Stanford during the whole construction period reiterate again and again their demands for Huntington to sell more bonds and to send more rails and supplies.

I have just received a despatch from Charles that he laid six miles of track yesterday. Buy tomorrow, or steal, twenty locomotives, 16 inch cylinder, and send them here at the earliest day practicable, and we go to kingdom come. Now just what to make of this despatch I do not know. It would hardly be possible to get these machines ready in less than three months, as locomotives are not kept on hand like coffee mills, but I will order some and if he should want them sent over the Isthmus I will so send, but I hardly think he will want them this way; if he does, they will be sent without tank or boiler, as it would be very difficult to send those parts by steamer.<sup>5</sup>

Huntington was trying to sell low-yield, high-risk bonds in a market that provided ample opportunities for high returns with far less risk. His competition with the government for steel rails, locomotives and railroad hardware needed in wartime helped to inflate prices to astronomical heights. Rails which sold for \$55 per ton in 1861 rose to \$262 per ton by 1865.<sup>6</sup>

Construction was completed over the Sierra Nevada Mountains in 1868 and the two-way race across the plains began with the crews of both companies grading far ahead of the lines of track. By the end of the year graded railbeds of the two lines paralleled each other for approximately two hundred miles.<sup>7</sup> Negotiations were begun in Washington to designate a place for joining the lines and President Ulysses S. Grant selected Promontory Point, Utah. On May 10, 1869, Leland Stanford drove home the now famous gold spike that connected the two roads.

Construction of the transcontinental railroad completed, Huntington and his colleagues faced a new problem. They had built the Central Pacific at a profit, but could they maintain and operate it on the same basis? Further, did they want to? Charles and E. B. Crocker decided not to continue with the venture and in 1871 they received the first of three payments of \$600,000 each for their shares from the remaining partners. There is evidence that Huntington and Hopkins were arranging the sale of their interests as well, but the Panic of 1873 doomed these plans. The many large notes of the Central

<sup>5</sup> C. P. Huntington to Mark Hopkins, August 21, 1868

<sup>6</sup> Lewis, *The Big Four*, p. 86

<sup>7</sup> Cerinda W. Evans, *Collis Potter Huntington*. Newport News, Va., 1954, Vol. I, p. 195



Pacific were prematurely presented for payment and the company was barely able to meet its obligations. E. B. Crocker had died when Charles chose this financially embarrassing moment to demand final payment for his shares. As the company was unable to make such payment, Crocker rejoined the company as Second Vice President and so remained until his death in 1888.

Huntington was by all accounts, especially his own, the prime mover as well as financial, administrative and legislative genius of the road. Convinced by the events of 1873 that the Central Pacific and its associated lines could not be sold off in a financially satisfactory manner, he apparently determined to operate the road in a way that would provide substantial returns. To do this would require control of all the roads within California and keeping other transcontinental lines out of the state; in short, Huntington wanted a monopoly of railroad transportation, at least in California. The first part of this plan had been undertaken as early as 1865 with the purchase of the California Central Railroad; subsequently the associates acquired twenty-two additional roads in the state.<sup>8</sup>

Huntington's program of continued acquisition and building brought dismay to some of his partners:

... but is this business of expanding, extending, and buying up railroads never to end—Hopkins talks very decided against it, and I must say that I don't much like the idea of slaving myself to this railroad business for the rest of my days. Stanford I believe would buy up every road in the State and you don't seem disposed to stop.<sup>9</sup>

Difficulties in achieving the second aspect of the plan began in the Seventies when the Texas & Southern Pacific Railway Company (commonly known as the Texas & Pacific), under the control of Thomas Alexander Scott, President of the Pennsylvania Railroad, was authorized by Congress to build from Marshall, Texas to San Diego. Huntington countered with furious lobbying forays into Congress and by extending the Southern Pacific Railroad south through California and on through Arizona and New Mexico toward Texas. When a bill for additional government subsidy for the Texas & Pacific was voted down in 1878, Huntington's success was assured. He had purchased controlling interest in the Galveston, Harrisburg & San Antonio Railway in 1877 and this line joined the Southern Pacific at Pecos River in 1883. The main line was completed to New Orleans in the same year through acquisition

<sup>8</sup>The Southern Pacific, Sacramento Valley, Western Pacific, California & Oregon, Oakland Railroad and Ferry Company, San Francisco & Alameda, Yuba, San Francisco & San Jose, Vallejo & Sacramento, San Francisco & Oakland, San Joaquin Valley, California Pacific, North Pacific, Stockton & Copperopolis, Market Street, Monterey & Salinas Valley, Oregon & California, Los Angeles & San Pedro, Los Angeles & Independence, Los Angeles & San Diego, California Southern and Santa Clara & Pajaro.

<sup>9</sup>E. B. Crocker to C. P. Huntington, March 29, 1868

J. F. CAKE.

**WILLARD'S HOTEL,**

Washington, D. C., *Aug 10<sup>th</sup> 1876*

*Rev Gates*

*Y<sup>r</sup> letter of yesterday is recd.  
you may pay  
Dodsworth of the  
Bulletin \$1000*

*I think Congress  
will adjourn Saturday  
or Monday.*

*I expect to be  
at the office Saturday  
morning. It looks  
now as tho we  
should not be hurt  
this Session*

*yours  
C P H*

"You may pay Dodsworth of the Bulletin \$1,000. I think Congress will adjourn Saturday or Monday. I expect to be at the office Saturday morning. It looks now as tho we should not be hurt this session." Letter, August 10, 1876, from C. P. Huntington to the Reverend Isaac Edwin Gates, Huntington's brother-in-law, who served as his private secretary and administrative assistant from the late 1860's and also held offices in a number of Huntington's eastern companies. From the Huntington Papers in the George Arents Research Library

of the Texas & New Orleans Railroad, the Louisiana Western Railroad and J. P. Morgan's Louisiana & Texas Railroad & Steamship Company, which provided steamship transport to New York. The next year all of these lines were consolidated into the Southern Pacific Company.

Huntington began his involvement with transportation in the East in 1869 with the purchase of the Chesapeake & Ohio Railroad Company. The line was completed from Richmond, Virginia to Huntington, West Virginia, named in honor of its founder. After the Panic of 1873, the corporation was reorganized as the Chesapeake & Ohio Railway Company and the road extended to Cincinnati, Ohio by 1882. In the East the road was extended from Richmond to a deep water terminus at Newport News, Virginia, also founded by Huntington.

C. P. Huntington was designing a transcontinental railroad company completely under his own control. The Elizabethtown, Lexington & Big Sandy Railroad was purchased and completed between Cincinnati and Louisville, Kentucky. The Chesapeake, Ohio & Southwestern Railroad Company had been organized in 1881 to complete and operate the line of the Memphis, Paducah & Northern Railroad between Louisville and Memphis, Tennessee. The final link was a group of small roads between Memphis and New Orleans, Louisiana, organized as the Louisville, New Orleans & Texas Railroad Company in 1884. In the same year the Newport News & Mississippi Valley Company was incorporated as a holding company for the Chesapeake & Ohio and its associated lines. Huntington was now able to travel from Newport News to San Francisco over his own rails. But the organization did not last; in 1887 the C & O went into receivership for the second time. As a consequence of reorganization, the Newport News & Mississippi Valley Company was broken into its constituent parts, and by 1890 Huntington began to divest himself of some of these eastern interests.

Throughout the Nineties Huntington continued to administer his affairs personally. Investments in the Pacific such as the Occidental & Oriental Steamship Company, in Central America such as the *Ferro-Carril Internacional Mexicano*, and in the western part of the United States had been made with his western partners. Other investments he made on his own. In addition to railroads in the East and West, he had organized land companies in Newport News and Huntington, West Virginia. His United States & Brazil Mail Steamship Company competed for trade in South America and his Old Dominion Steamship Line ran between New York and Newport News. In 1886 he had organized the Chesapeake Dry Dock & Construction Company, later reorganized as the Newport News Shipbuilding & Dry Dock Company. Not a successful concern in Huntington's lifetime, the company did survive and formed the basis of the shipbuilding industry of Newport News. It was the firm first owned by Huntington that constructed the U. S. S. *United States* which made her maiden voyage in 1852.

During the last decade of Huntington's life and of the nineteenth century, when he was spending much of his time at his summer home on Raquette Lake in the Adirondacks, he organized the Raquette Lake Railway Company with William West Durant, son of his Union Pacific rival of the transcontinental days, and the two men served as its directors.<sup>10</sup>

In 1890 Huntington became president of the Southern Pacific Company, displacing Leland Stanford. This event represented the final break between these two, whose mutual dislike had grown steadily since the early Sixties. Their temperaments and ways of life were very different. Stanford had been a great asset to the Central Pacific as governor of California between 1862 and 1864 and his powerful position in California politics contributed to limiting legislative interference in railroad affairs. But while Huntington was a devoted adherent to the principle of work and accumulation, Stanford was inclined to a flamboyant and expensive style of life. It was noted by all partners how little Stanford was in his office, and he had for years drawn upon railroad funds to build his homes and to establish a breeding ranch for race horses. In 1885 Stanford moved to become the Republican nominee for the United States Senate in place of A. A. Sargent, a long-time friend who was the railroad's choice for the office. Sargent's letters to Huntington during this period express first disbelief and then alarm at Stanford's actions. Stanford was elected to the Senate, but in 1890 Huntington forced him out of the presidency of the Southern Pacific Company by promising him needed support in the 1892 senatorial election as a trade.

The Huntington Papers include a group of materials documenting the misfortunes of David Douty Colton in relation to the four associates. Colton, a close friend of Charles Crocker, had joined the others as a partner in 1874. In return for stock, they held his note for one million dollars, due in five years. After Colton's death in 1878, it became apparent that he had indulged in highly unorthodox practices in attempting to secure the money to pay off his note. In order to settle her husband's accounts with his associates, Ellen Colton was required to return many of his securities. She later contested this settlement in the celebrated case of *Colton v. Stanford, et al.* She lost the case and her husband's dubious business methods were revealed.

During his association with the four, Colton had, for the most part, enjoyed their confidence. With Huntington in particular he had carried on extensive correspondence. In his letters to Colton, Huntington revealed many of his methods as well as his low opinion of politicians in general and some individuals in particular:

<sup>10</sup> In 1898 Durant built Camp Pine Knot for Huntington on Raquette Lake. In 1901 he built Sagamore, his own summer place, now a conference center owned by Syracuse University, on Sagamore Lake. The main houses at Pine Knot and Sagamore are identical.

This Congress is nothing but an agrarian camp—the worst body of men that ever got together before in this country.<sup>11</sup>

I notice what you say of Luttrell; he is a wild hog; don't let him come back to Washington, but as the House is to be largely Democratic, and if he was to be defeated likely it would be charged to us, hence I think it would be well to beat him with a Democrat; but I would defeat him anyway, and if he got the nomination put up another Democrat and run against him, and in that way elect a Republican. Beat him.<sup>12</sup>

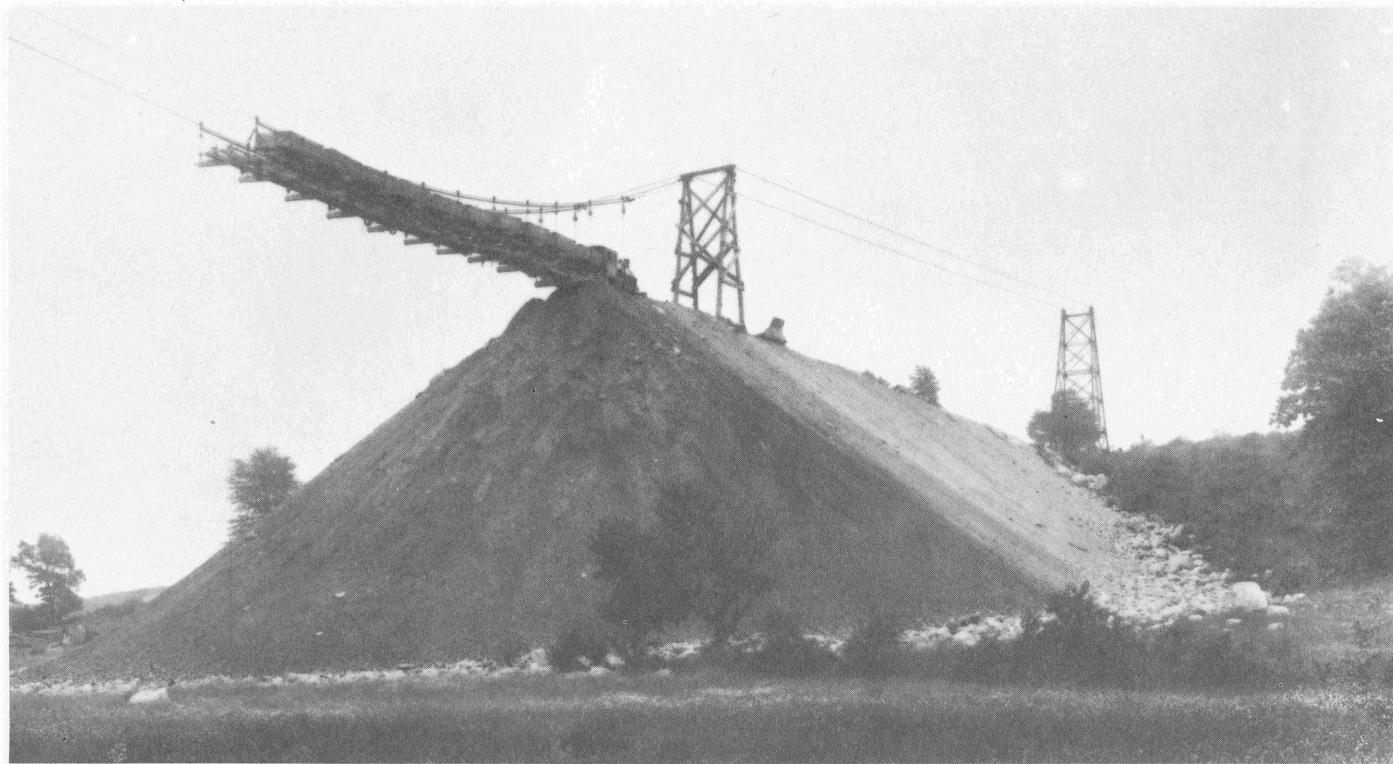
During the Colton trial some of these letters were read into the court record. Letterpress copies appear among the papers, with printed court records and some of Colton's financial records which were used as evidence by the defense.

In a letter to James Speyer, written on December 6, 1899, just eight months before his death on August 14, 1900, C. P. Huntington looked back at his own life and judged it in his own terms:

Let me close this letter by saying that, so far as my own part in the inception, construction and operation of the Southern and Central Pacific Railroads is concerned, I am satisfied with what I have done. No man is perfect and the man does not live who can look back and say that he has made no mistakes; but the motives back of my actions have been honest ones and the results have redounded far more to the benefit of California than they have to my own. . . . That I have enemies in California goes without saying and I am not sorry that it is so; for no man who has been so long and so actively identified with her interests as I have been could have done his whole duty by the State without having at one time and another told some man what he thought of them; no man who has had so much to do as I have with vast bodies of employees, the responsibility for whose appointment and dismissal has rested largely on his shoulders, could have failed during half a century to excite the revengeful passions of bad men who have been thwarted in their dishonest schemes.

<sup>11</sup> C. P. Huntington to D. D. Colton, April 19, 1878

<sup>12</sup> C. P. Huntington to D. D. Colton, May 1, 1875



Cable-suspended track from which dump-car trains dropped fill material to create an embankment for a new railroad line. July 7, 1910